GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:384
ANSWERED ON:24.07.2001
CENTRAL COALFIELDS LTD.
RAVINDRA KUMAR PANDEY

Will the Minister of COAL be pleased to state:

(a) whether the Government propose to recommend Central Coalfields Ltd. to B.I.F.R.;

(b) if so, the details thereof;

(c) whether the debt of C.C.L. have crossed its working capital;

(d) if so, the reasons therefor;

(e) whether the Government have formulated any action plan to prevent C.C.L. from suffering losses; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE FOR COAL (SHRI SYED SHAHNAWAZ HUSSAIN)

(a) & (b) The Board of Directors of Central Coalfields Limited (CCL) referredCCL to the Boardfor Industrial & Financial Reconstruction (BIFR)on 22.5.2001 under Section 15 of the Sick Industrial Companies (Special Provisions)Act, 1985, as the net-worth of the company as on 31.3.2001 had became negative.

(c) &(d) The borrowings of CCL as on 31.3.2000 was Rs. 1898.11 crores, whereas the working capital of the company as on 31.3.2000 was Rs. 550.85 crores. Working capital of the company is required to fund the day-to- day operations of the company in short term, whereas borrowings include long term debts involving capital expenditure and short term loans for meeting working capital requirement. Therefore, the borrowings of CCL are more than working capital.

(e) & (f) : Industrial Development Bank of India(IDBI)has been engaged by Coal India Limited(CIL)to study the problems of CCL and to recommend measures for rehabilitation of CCL.